



Senate

General Assembly

File No. 89

February Session, 2016

Senate Bill No. 189

Senate, March 21, 2016

The Committee on General Law reported through SEN. LEONE of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING IRREVOCABLE FUNERAL SERVICE CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-207 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2016*):

3 An irrevocable funeral service contract may be entered into in which
4 the amount held in escrow or a death benefit payable under an
5 individual or group life insurance policy may be disbursed only upon
6 the death of the beneficiary, provided such a contract does not exceed
7 [five] eight thousand [four hundred] dollars and all interest, growth or
8 dividends accumulates to the escrow account or insurance policy and
9 are inaccessible to the beneficiary. Such irrevocable funeral service
10 [contracts] contract may be transferred from one funeral service
11 establishment to another upon request of the beneficiary or a legal
12 representative of the beneficiary. The purchase of an irrevocable
13 funeral service contract shall not preclude an individual from
14 purchasing other funeral service contracts that are revocable, provided

- 15 any such revocable funeral service contract purchased by a Medicaid
16 beneficiary may be revoked only upon written notice by the Medicaid
17 beneficiary to the Commissioner of Social Services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	42-207

GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill increases the maximum allowable amount of an irrevocable funeral service contract from \$5,400 to \$8,000. As the bill concerns private insurance transactions, there is no state or municipal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 189*****AN ACT CONCERNING IRREVOCABLE FUNERAL SERVICE CONTRACTS.*****SUMMARY:**

This bill increases, from \$5,400 to \$8,000, the maximum allowable amount of an irrevocable funeral service contract.

A funeral service contract is a contract requiring compensation in exchange for funeral, burial, or related services or providing certain items, where the use or delivery of the services or items is not immediately needed. Compensation may be in the form of a payment of money, the delivery of securities, or the assignment of a death benefit under a life insurance policy. These contracts are sometimes referred to as "prepaid" or "preneed" funeral service contracts because the person is paying for services to be provided in the future.

EFFECTIVE DATE: July 1, 2016

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 18 Nay 0 (03/04/2016)